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EXECUTIVE SECRETARY

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JAN 19 2001

TN REGULATORY AUTHORITY
TELECOMMUNICATIONS DIVISION

January 18, 2001

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Attention: Mr. Darrell Whitis

Re: Vivo-TN, LLC (Docket No. 00-001092-Response to information request #2)

Dear Mr. Whitis:

Per your letter of 1-10-01 Vivo is happy to provide you with updated information and explain some of the questions you have inquired about.

- 1) Updated Income Statement attached.
- 2) We have revised our projected financial statements to treat the vast majority of capital equipment as procured assets instead of as leased equipment. Attached is an updated plan that details these revisions (in response to question a) asset & depreciation value and b) long term liability account). You will note depreciation is established as a straight-line five year depreciation schedule.
- 3) Reciprocal compensation is estimated at \$0.002/min on inbound local traffic (for both ISP and phone traffic). The amount of revenue derived from reciprocal compensation is approximately 30% in 2002 and approximately 20% in 2003. We will be watching closely both the TRA and the FCC for any changes to the treatment of reciprocal compensation between carriers and do rely on that revenue for our viability or success.
- 4) At time of service offering Vivo will have over \$5M of equipment and facilities in the state of Tennessee. This equipment will be comprised of Fiber


Proprietary
Information Attached


VIVO

01/18/01

Vivo-Tn
Profit & Loss
September 4 through November 30, 2000

	<u>Sep 4 - Nov 30, '00</u>
Ordinary Income/Expense	
Expense	
Office Supplies	300.00
Professional Fees	
Accounting	1,300.00
Legal Fees	4,100.00
Total Professional Fees	5,400.00
Rent	500.00
Telephone	75.00
Total Expense	6,275.00
Net Ordinary Income	-6,275.00
Net Income	<u>-6,275.00</u>


Tim SETTON


DEBRASUE DENSON
NOTARY PUBLIC OAKLAND CO., MI
MY COMMISSION EXPIRES Sep 5, 2003